

SUSTAINABILITY REPORT



KEPAK

more than meat

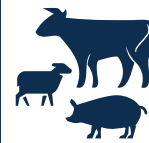
NATURAL AT OUR CORE



KEPAK CORE

Kepak CORE is our Blueprint for achieving Growth in a Sustainable Way. We pledge to accomplish this by putting our **Customers** first, through continual **Optimisation** of our entire supply chain, by acting **Responsibly** towards our staff, farmers, suppliers and community and by taking due care of our **Environment**.

Agriculture & Animal Welfare



Responsible Sourcing



Resource Efficiency



People & Communities



Health & Nutrition



Foundations

Continuous Improvement

Collaboration

Communication

Customer & Supplier Partnership

Under CORE, Kepak defined sustainability as follows

Consistently seeking better ways to grow and improve our business in a manner that is respectful of our environment, our staff, our suppliers and our customers.

Under CORE, 5 pillars were established with supporting Working Groups to drive improvement

- Agriculture & Animal Welfare
- Responsible Sourcing
- Resource Efficiency
- Health & Nutrition
- People & communities

Our pillars outline the priority areas where we focus to deliver sustainability improvements while our foundations outline our 'Way of Working' to achieve sustainability through continuous improvements, customer partnerships, communication and collaboration.

AGRICULTURE

Working with over 15,000 quality assured beef, lamb and pork producers nationwide, we are leaders in Agricultural Sustainability projects. Under our Agriculture pillar, Kepak work collaboratively with like-minded agencies to promote more sustainable food production and farming practices. Below are some of our agriculture initiatives:



Responsible purchasing

Kepak is committed to purchasing responsibly. We have a procurement policy in place across each division which outlines our commitment to sourcing from sustainable and ethical sources. Most of Kepak's raw materials are sourced directly from farms. Therefore, Kepak engage closely with our suppliers to promote best practice in farming.



Biodiversity

As bees are becoming an endangered species, Kepak has just launched our first biodiversity initiative by joining the All Ireland Pollinator Plan. Two beehives have been placed around the grounds of our head office.

The hives will be looked after by two very experienced bee keepers. Over the year, we will hopefully recover honey, beeswax, royal jelly and propolis. In 2018, we will be looking at Kepak Farm and creating and implementing a plan to improve biodiversity on farms.



Kepak Farm

Located near Clonee, Co.Meath, Kepak Farm is a beef finishing enterprise. We realise the farm is a great tool for knowledge sharing and bridging the gap between the farmer and the consumer. We collaborate with farmers to share best management practices designed to produce top quality beef for our key partner customers. Our aim is to improve decision making and maximize production efficiencies along the entire supply chain, from farm to fork.

In 2017, Kepak hosted approx 1200 visitors to our farm. Topics for knowledge sharing include:

- Antimicrobial resistance
- Animal nutrition/feed
- Animal welfare
- Grassland Management
- Soil Health
- Reducing carbon footprint on the farm



One Health on Kepak Farm

The “**One Health Strategy**” is a guideline of practices, which when implemented can result in positive effects for the animal, consumer & environment. The aim of the strategy is to reduce use of antibiotics thus preventing antimicrobial resistance

- **Intake procedure** – all animals rest on straw bed for 24 hours upon arrival to minimize stress levels
- **Vaccination protocol** – All animals administered vaccinations against respiratory/clostridial diseases by the farm vet
- **Housing facilities** – Regular cleaning, isolation pens, good ventilation, easy access to water & feed etc.
- **Nutrition management** – tailored diet for new arrivals to reduce stress & gradual build up to finishing diet. Feed intake is monitored.
- **Treatment of sick cattle** – Sick animals removed to isolation pen & assessed by vet. All medicine/ antibiotic use recorded.

Sustainability and current carbon footprint are of paramount importance as the Kepak Farm aims to produce cattle meeting market requirements, whilst also sustaining the economic viability of the Farm and making the most efficient use of

all resources. In addition, cattle on the farm are fed bespoke diets largely based on home-grown crops.



Agri Projects

Kepak has been a pioneer in the creation of producer group initiatives since 1999, linking the entire supply chain from farm to fork. Approximately 25% of our current supply is from bespoke producer groups.

Kepak work collaboratively with other industry leaders to promote more sustainable food production and farming practices such as the Teagasc/IFJ BETTER farm programme, Animal Health Ireland Beef Health Check and Sustainable Farming Programme to name a few.



A photograph of two men shaking hands in front of a large pile of straw. The man on the right is smiling and wearing a dark blue quilted jacket with 'KEPAK' on the chest, a checkered shirt, and a red tie. The man on the left is wearing a dark blue quilted jacket. The background is a large pile of straw.

RESPONSIBLE SOURCING

With the growth in our value-add business comes an increase in volume of product sourced from outside our direct (farm) supply chain. In 2018, we agreed to set up a responsible sourcing pillar with a cross functional working group dedicated to ensuring we maintain the same standards from our suppliers as from our own sites.

Our responsible sourcing pillar will focus on all non-livestock purchasing, extending from meat and food products into packaging and consumables. This will be achieved through a key focus on supply chain integrity and product quality while ensuring animal welfare standards are met and our supply chains are kept free from deforestation and modern slavery

Sourcing materials to be considered include:

- **Meat**
- **Bread**
- **Ingredients**
- **Packaging**
- **Pallets**
- **Chemicals / cleaning products**
- **Electronics / machinery**
- **PPE**

So far, through working with our suppliers on our 'Naked Block' project, we have removed 85T of cardboard from our supply chain.

Customer requirements will also be reviewed to align ourselves with our customers own sustainability targets around responsible sourcing.

RESOURCE EFFICIENCY



With multiple sites across Ireland and the UK processing several thousand tonnes of product per week, Kepak is determined to reduce resource consumption, improve efficiency and eliminate waste. Under our Resource Efficiency pillar, Kepak continually endeavors to reduce the environmental impact of each of its sites through implementing, monitoring and improving lean ways of working.



Our Journey Towards Zero Carbon

The reduction of carbon emissions throughout the supply chain is a huge focus area for Kepak. From January 1st 2018, Kepak has certified 100% green energy supply for 9 of our Irish sites.

This has resulted in a 60% decrease in our carbon emissions from 2017, and means our carbon emissions from electricity this year will be zero.



Energy

- **ISO 50001** is a standard which supports organizations in all sectors to use energy more efficiently, through the development of an energy management system (EnMS).
- Currently Kepak Clonee, Kepak Athleague, and most recently, Kepak Cork have received ISO 50001 certification.
- **ISO 14001** is a standard that specifies requirements for an effective environmental management system (EMS). It provides a framework that an organization can follow, rather than establishing environmental performance requirements.
- Kepak Clonee is the first and currently only site to receive certified accreditation to the ISO 14001 Standard.



Food Waste

Kepak is currently working in line with UN Sustainable Development Goal 12.3 which aims to **reduce food waste by 50%** by 2030, as currently 1/3 of all food across the world is thrown away.

The 3 steps in this project are target, measure, & reduce.

Kepak is currently in the process of measuring a food waste baseline and once we have a baseline, we will work to reduce our food waste by approx. 4% per year



Support for a myriad of community driven initiatives such as Food Cloud, Penny's Dinners, Epilepsy Ireland and The Junior Achievement Awards are just some of the ways Kepak is giving back. Under our People & Communities pillar, we engage our employees through several initiatives so we can contribute to the wonderful communities we're proud to be part of.

Some of our employee initiatives include:

- Healthy eating program
- Nation wellbeing day
- Bike to work scheme
- Quarterly Kepak product hamper offering
- Long service recognition program
- Values recognition awards



Charities

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This has resulted in a 60% decrease in our carbon emissions from 2017, and means our carbon emissions from electricity this year will be zero.

KEPAK Donations to **FoodCloud** This Year
have helped towards achieving



8,200
Kg of surplus food
redistributed



18,040
meals for people
in need



90,300
Kg CO₂ emissions
saved



Kepak partners with Simon Community

Kepak is happy to announce Simon Community as our charity partner for 2018. The two companies share a lot of the same values especially the emphasis on the importance of nourishing food. We will be providing meat products to Simon freeing up much needed finances for other services. Our employees will also be engaging in several volunteer days throughout the year helping the Simon Community continue to provide essential services to people who are homeless or at risk of homelessness across the country.

HEALTH AND NUTRITION

Under our Health and Nutrition pillar, we are consistently looking for ways to improve our product offering through reformulation, enrichment and NPD. Our working group, in line with the latest industry research and guidelines, explores how Kepak can nurture better health and nutrition through:

- The products we sell
- The product information we provide
- How we nourish our own colleagues



Meat Matters

Kepak has teamed up with qualified dietitian, Sarah Keogh, on our 'Meat Matters' project. The aim of this project being to highlight the nutritional benefits of meat and learn how to keep the nutritional integrity of the product through cooking. Kepak wants not only to be supplier of health and nutrition but an information house.

In 2017, we profiled the nutrition and calorie content of our meat and created meal recommendations/ recipes to satisfy consumer lifestyles/ needs based on our product range

Through this information, Kepak hopes to:

- Educate their colleagues and customers through internal and external communications
- Increase knowledge on consumers wants and needs therefore helping our retail partners increase sales
- Drive change and innovation from the start of the supply chain



Targets

We aim to improve the nutrition and health of our consumers, by reducing the number of red and amber traffic lights on our products.

- **Ingredients**– We will avoid the use of the following restricted ingredients: Genetically Modified Foods, Hydrogenated Fat, Palm Oil, Artificial Colours & Flavours, Preservatives, Flavour Enhancers, Antioxidants, Sweeteners, Mechanically Separated Meat.
- **Salt** – New products will be developed in accordance with the FSA 2017 salt guidelines. Target 0.63g /100g salt.
- **Allergens** – We will endeavour to avoid the use of allergenic ingredients whenever possible.
- **Smoke Flavouring** – Where smoke flavouring is used the levels used must adhere to the limits set out in EU Regulation No. 1321/2013

Kepak has already reduced approx. 30 Tonnes of sugar from our sauces



Memory



Bones



Vision



Heart

WORKING WITH NATURE



Origin Green

- Kepak's sustainability journey began in 2012 as a founding member of Origin Green.
- Origin Green is Ireland's food and drink sustainability programme, run by Bord Bia.
- This programme enables Ireland's food industry to set and achieve measurable sustainability targets that respect the environment and serve local communities more effectively. Crucially, Origin Green is about measuring and improving how we do this on an ongoing basis.
- Under Origin Green, Kepak set out targets in relation to;
 - Sustainable Sourcing
 - Operations
 - Health & Nutrition
 - Social Sustainability

FUTURE COMMITMENTS



Future Commitments

- To showcase Kepak Farm Centre of Excellence as a Knowledge Transfer Hub to disseminate technical and practical knowledge on Carbon Neutral farming, technology advancements and latest R+D
- To establish a Biodiversity plan for all sites and Kepak Farm by 2020
- To maintain and improve our BBFAW accreditation
- To work with our suppliers to ensure the highest levels of quality are maintained with integrity and transparency
- Implementation of a standardised packaging procurement policy by 2020
- To deliver 100% sustainable paper/board in our packaging by 2025
- To deliver 100% recyclable or compostable packaging by 2025
- With 2015 being our baseline we plan to:
 - Reduce carbon footprint of our factories by 30% by 2030
 - Rollout a standardised Energy Management System across all sites by 2025
 - Reduce water usage across our factories by 20% by 2030
- 50% reduction in food waste across our factories by 2030 in line with UN SDG 12.3
- Deliver packaging innovations to reduce the volume of food and packaging waste up our supply chain
- To invest in our people through training and engagement to help support their growth and development
- To recognise & award our long-service team members
- We will continue to promote staff health and wellbeing through the delivery of health and safety awareness programmes
- To review and improve the health & nutritional profile of our product portfolio
- To communicate to consumers the benefits of red meat

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